



**Governor Kim Reynolds**  
**Lt. Governor Adam Gregg**

*Geri D. Huser, Chair*  
*Nick Wagner, Board Member*  
*Richard W. Lozier, Jr., Board Member*

**TO:** Members of the General Assembly  
**FROM:** Iowa Utilities Board  
**DATE:** January 8, 2018  
**RE:** 5328 XD – Iowa Utilities Board Policy Legislation

## 1. **Executive Secretary Role**

### *Background:*

Iowa Code § 474.1(2) requires the Board to appoint an “executive secretary” but does not specify the duties associated with that position. The statute later identifies the chairperson of the Board as the administrator of the Utilities Division.

### *Proposal:*

The section can be re-written and re-organized to better clarify the roles of the Board and to update the language from “executive secretary” to “chief operating officer” to state the current practice of that position.

## 2. **Railroad Company Interests**

### *Background:*

Iowa Code § 474.2 prohibits Board Members and the Board’s “executive secretary” from working for any common carrier or other public utility and also prohibits those individuals from owning any bonds, stock or property in any railroad company or other public utility. The government entity that has since become the IUB was the Iowa Board of Railroad Commissioners and later the Iowa State Commerce Commission and both had regulatory authority over railroad passenger and freight rates and operations. Regulatory authority over railroads was passed to the Department of Transportation in the 1970s.

### *Proposal:*

The section can be updated to remove the reference to ‘railroad company’ as the Board no longer has broad regulatory jurisdiction over railroads.

### **3. Completed Efficiency Report**

#### *Background:*

Iowa Code § 476.2(6) required the IUB to file with the General Assembly an energy efficiency report. The report was timely filed in 1998.

#### *Proposal:*

The section can be repealed as its purpose was fulfilled.

### **4. Completed Nuclear Study**

#### *Background:*

Iowa Code § 476.6(21) addressed a nuclear generating study conducted by an electric utility at ratepayer expense; the study was concluded several years ago and the cost recovery has ended.

#### *Proposal:*

The section can be repealed as its purpose was fulfilled.

### **5. Advance Ratemaking Principles and Competitive Bidding**

#### *Background:*

Iowa Code § 476.53(3)(c)(2) requires the Board to have rules for competitive bidding processes associated with advance ratemaking principles. No utility has ever used the process, and in the IUB's ongoing rules review process the utilities commented that they do not believe the rules are necessary, other than to satisfy the requirements of the statute.

#### *Proposal:*

Delete the language that is not utilized.

### **6. Review of Utility Reorganizations**

#### *Background:*

Iowa Code § 476.72 *et seq.* requires the Board to review proposed major acquisitions by rate-regulated gas and electric utilities in advance of a transaction. In the 2016 Session, the Legislature expanded the Board's rate-regulatory jurisdiction to include investor-owned sanitary sewer and storm water drainage utilities, but the reorganization section was not expressly amended to include those new utilities.

*Proposal:*

Amend the definition of 'public utility' to include all rate-regulated utilities that the IUB has jurisdiction over, not just natural gas and electric utilities.

**7. Registration for Telecommunications Service Providers**

*Background:*

Iowa Code § 476.29 was recently repealed by operation of law removing certification requirements for local telecommunications services. In addition, the IUB recently undertook a docket to further deregulate the telecommunications industry based upon the Board's determination of widespread availability of effective competition for retail local exchange communications services. The IUB is continuing to attempt to make things more competitively neutral among technologies.

*Proposal:*

A new registration component could be required for telecommunications service providers. The registration would allow the IUB to collect information from those providing telephone numbers in the state in order for the IUB to continue to assess providers for certain fees and expenses that are required under Iowa Code even with the recent deregulation. This would replace the already repealed certification program and those old references can be removed and/or updated.

**8. Dual-Party Relay Funding**

*Background:*

Currently, funding for Dual-Party Relay Services comes from wireline providers, wireless providers, alternative operator service providers and other types of telecommunications service. The method for determining how much is owed to support DPRS depends on the technology type. The IUB recently deregulated some of the services related to the telecommunications industry in an attempt to make things more competitively neutral among technologies.

*Proposal:*

Iowa Code could be updated to provide consistency among different forms of telecommunication service providers after deregulation of most telecommunications services. Funding would be a flat 3 cents per line per month for wireline providers, wireless providers, and alternative operator service providers. The other types of telecommunications service would no longer contribute to the fund.

## **9. Intrastate Pipeline Inspection Fees**

### *Background:*

Iowa Code § 479.14 requires intrastate pipeline companies to pay to the IUB an annual inspection fee of fifty cents per mile of pipeline (or fraction thereof) for each inch of diameter of the pipeline. The statutory fee does not cover the IUB's current annual costs of conducting these inspections.

### *Proposal:*

The section could be re-written to remove the formula for the current per-mile per-inch scheme, and allow the IUB to use its existing authority to directly assess and bill the pipeline company for the direct costs incurred for the inspection as it does for other matters that come before the Board.

## **10. Notice of Public Information Meetings**

### *Background:*

Iowa Code § 479B.4 requires that notice of the public informational meetings be sent by "restricted certified mail." The similar provisions for electric transmission lines and intrastate natural gas pipelines require that the notice be sent by certified mail, return receipt requested, a different form of mailing. The variation in service methods could create a potential issue for applicants who are under the impression that the same procedural rules apply to all three types of projects.

### *Proposal:*

Amend the section to require service of notice using the same procedures specified for the other types of utility projects.

## **11. Attorney Fees and Costs**

### *Background:*

Iowa Code §§ 479.46(6) and 479B.30 set out the process by which a landowner may claim damages associated with the construction of a natural gas or hazardous liquid pipeline. If the process reaches a compensation commission, a landowner may end up paying the attorney fees and costs for the pipeline company even if the commission's assessment is higher than the company's final offer.

### *Proposal:*

The sections can be re-written so that a landowner never has to pay for the pipeline company's attorney fees and costs while retaining the current process of having the landowner's attorney fees and costs paid for by the pipeline company if the commission's assessment of the damage is greater than 110 percent of the final offer.